

Quarterly activities summary for Period ended 31st March 2011

Key Points

- Accepted conditional offer from preferred farminee for NT/P68 (Heron) farmout
- Renewed WA-361-P exploration permit for additional five (5) years
- Consolidated cash balance at 31st March A\$98.4 million

MELBOURNE, AUSTRALIA (11th April, 2011)

MEO Australia Limited (ASX: **MEO**; OTC: **MEOAY**) provides the following summary in relation to its activities for the quarter ended 31st March 2011.

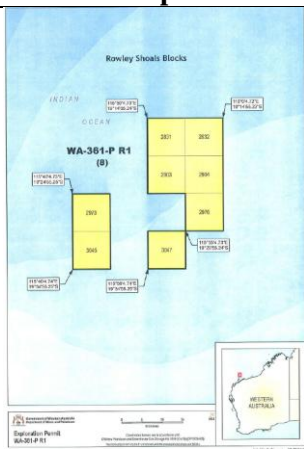
WA-360-P (MEO 25% & Operator, Petrobras 50%, Cue Energy 15%, Moby Oil & Gas 10%)

WA-360-P expires on 31st January 2012. Prior to this date, the Joint Venture will determine whether to relinquish the permit entirely, or renew the permit for a further five (5) year term following a mandatory relinquishment of 50% of the permit area.

During the quarter, MEO continued to conduct post well analysis following the drilling of Artemis-1 including initiating special studies, petrology, bio-stratigraphy, fluid inclusion analysis and analysis of gas samples recovered from drilling mud from the well.

WA-361-P (MEO 50% & Operator, Mineralogy 35%, Cue Energy 15%)

Renewal of the permit for a further five year term commencing 31st January 2011 was approved by the Designated Authority (refer ASX release dated 10th January 2011) as per table below.

Location Map	Minimum work requirements				
		Permit Year	Yr Starts	Yr Ends	Minimum Work Requirements
	Primary Term	1	31 st Jan 2011	30 th Jan 2012	Geotechnical studies
		2	31 st Jan 2012	30 th Jan 2013	150km ² new 3D seismic survey Geotechnical studies
		3	31 st Jan 2013	30 th Jan 2014	3D seismic interpretation Geotechnical studies
	Secondary Term	4	31 st Jan 2014	30 th Jan 2015	One (1) exploration well Geotechnical studies
		5	31 st Jan 2015	30 th Jan 2016	Geotechnical studies
	WA-361-P Participants				Equity
North West Shelf Exploration Pty Ltd (MEO subsidiary)				50%*	
Mineralogy Pty Ltd				35%	
Cue Energy Resources Limited (ASX: CUE)				15%	
*MEO Australia Limited is Operator for the Joint Venture					

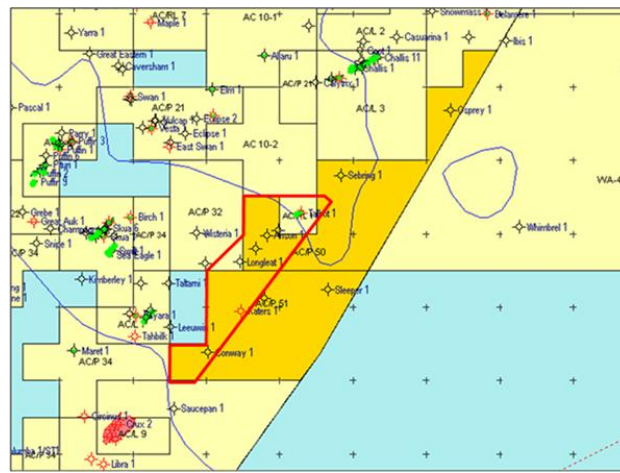
Notwithstanding that the permit is in Permit Year 1, MEO has commenced preparations for the Permit Year 2 commitment to acquire a minimum 150 km² of 3D seismic.

NT/P68 (MEO 100%)

On 15th March 2011, MEO advised that it had accepted a conditional offer from its preferred farminee for farm-in to NT/P68. Preparation of binding documentation to formalise this transaction continue at the end of the quarter. Until binding agreements are executed, neither the identity of the farminee nor the terms of the transaction are able to be disclosed.

AC/P50 (MEO 100%)ⁱ

During the quarter, some 620 km² of existing 3D seismic was reprocessed, of which some 250 km² was on permit. 2D seismic reprocessing was also completed. Planning commenced for the commitment to acquire seismic during permit year 3, commencing April 2011.



AC/P51 (MEO 100%)

During the quarter, some 620 km² of existing 3D seismic was reprocessed, of which some 250 km² was on permit. 2D seismic reprocessing was also completed. Planning commenced for the commitment to acquire seismic during permit year 3, commencing April 2011.

Approved Gas Processing Projects (MEO 50-100%)

MEO continued its efforts to secure feed-gas from regional custodians of stranded gas discoveries for its approved gas processing projects.

New Ventures

Screening of new venture opportunities gathered momentum during the quarter. Several conditional offers were tabled to acquire project interests from prospective vendors, however none of these offers has yet progressed to a binding stage.

New personnel

During the quarter, the services of several new personnel were secured. An ASX announcement was made on the 4th April 2011 detailing these additions:

- Jarrod Dunne commenced on 4th April as Senior Geophysicist;
- Andrew Leeds commenced on 1st March as Senior Commercial Analyst; and
- Peter Stickland commenced on 4th April as New Ventures Advisor.

Concurrent with these additions, John Moore will retire from his technical role on 30th June and continue with MEO as a technical mentor.

Cash balance at end of quarter

At 31st March 2010, the consolidated cash balance was A\$98.4 million.

Priorities for the quarter ending 30th June 2011

- Execute binding documents with preferred farminee for farm-in to NT/P68 (Heron)
- Continue to seek alternatives to monetise Tassie Shoal gas projects
- Secure attractive New Venture opportunities

Jürgen Hendrich

Managing Director & Chief Executive Officer

ⁱ Refer ASX release dated 15th November 2010 for details of acquisition terms for permits AC/P50 & 51:

http://www.meoaustralia.com.au/icms_docs/83088_MEO_acquires_100_of_permits_ACP50_and_ACP51.pdf